



SF 2222 – Inheritance Tax (LSB 5938XS)
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Fiscal Note Version – New

Description

Senate File 2222 repeals the Iowa inheritance tax effective July 1, 2014, for property of estates of persons dying on or after July 1, 2014.

Background

An inheritance tax return is due, along with any associated inheritance tax, within nine months after the death of the decedent. Because of this delay, revenue from the tax continues after the repeal date.

Assumptions

- The Revenue Estimating Conference (REC) estimate for FY 2015 inheritance tax revenue is \$107.7 million.
- Due to the tax filing timeframe allowed in law, the FY 2015 impact is projected to be 44.2% of the REC estimate.
- Inheritance tax liability under current law is estimated to increase 5.0% per year.

Fiscal Impact

Repealing the State inheritance tax effective July 1, 2014, is projected to reduce net General Fund revenue by \$47.6 million in fiscal year 2015 and by \$113.1 million in FY 2016. The negative impact is projected to increase 5.0% per year thereafter.

Source

Iowa Department of Revenue

/s/ Holly M. Lyons

March 11, 2014

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
